

**Suggested Remarks**  
**Jon D. Lindborg, USAID Mission Director**  
**2<sup>nd</sup> Mindanao Mayors' Conference**  
**Royal East Asia Hotel, General Santos City**  
**May 12, 2006, 11:30 a.m.**

The Honorable Mayor Jerry Trenas, President  
of the League of Cities of the Philippines;

Honorable Mayors of the Cities participating  
in the Transparent and Accountable  
Governance (TAG) Project;

Dr. Steven Rood, Asia Foundation Country  
Representative to the Philippines;

Representatives of government and civil  
society;

Distinguished Guests;

Colleagues, Friends, Ladies and Gentlemen,

Magandang umaga po sa inyong lahat.

On behalf of the United States Government  
and the American People, I am delighted to  
have this opportunity to join you for this  
2<sup>nd</sup> Mindanao Mayors' Conference, which brings  
together the mayors of the 16 Mindanao

cities participating in the TAG Project. USAID is proud to support this important activity through The Asia Foundation (TAF).

USAID supports the Government of the Philippines in promoting more sustainable and equitable growth. We believe that USAID support in the areas of governance, economic policy reform, conflict reduction, health, environment and education is contributing towards this goal particularly in Mindanao where a majority of our resources are focused.

While there are many pressing issues in all of these sectors, governance at the city level is particularly important since cities are the engines of most countries' economic growth. Minimizing the cost of doing business and enhancing the responsiveness of city governments to business - especially when taken together with other important factors like the dynamism of the local

economy, and the adequacy of infrastructure and human resources - sends a very strong message to potential investors that your cities are "open for business."

Ultimately, as your cities become more competitive and attract more business activity, the poor gain faster and greater access to the benefits of economic growth and your cities can better address the needs of their residents.

I am particularly impressed with your collective approach to improving city governance under the TAG project. I remember last February, barely six months after I arrived in the Philippines, I attended the presentation of the results of the Cities Competitiveness Ranking Project. I noted during my remarks that my travels to different locations in the Philippines in the relatively short span of time I have been in the country convinced me that there

was so much potential in many areas outside of Metro Manila that was just waiting to be unleashed. I am very pleased that the American people through USAID's TAG Project, are supporting 16 of the 27 cities in Mindanao to realize their full potential to improve their business climate and become engines of growth for the region and the Philippines.

The results so far provide much reason for optimism. In the seven (7) cities that first joined the TAG Project in 2001, namely: Iligan, Marawi, Cotabato, Surigao, General Santos, Samal and Dapitan, we have seen significant improvements in the efficiency of operations. In the area of business permit renewal, for example, the seven cities have reduced processing time from seven (7) days in 2003 to just 4.5 hours in 2005.

It is also likely that the reforms have reduced corruption since the one-stop-shop process for permit renewals introduced with TAG technical assistance is, quite literally, more transparent. There, office representatives sit in clear view of each other and applicants, severely limiting opportunities for informal payments. There is also no longer a place for "fixers" to speed an inefficient process along.

A recent evaluation reported that business people are very pleased with the changes. The cities are now working with TAG support to make it easier to register businesses in the first place.

I also want to take this opportunity to welcome representatives from the nine new cities that have recently joined the TAG project - Butuan, Dipolog, Panabo, Oroquieta, Ozamis, Zamboanga, Malaybalay, Tacurong, and Koronadal. With TAG's help,

there have been successes in the reform efforts in these cities, including a 300 percent increase in collections for business permit registrations in Zamboanga this past January, which is particularly impressive.

In closing, I want to thank those who have worked so hard to host us here today, in particular our colleagues from the League of Cities of the Philippines and The Asia Foundation.

I am looking forward to meeting with you and hearing your views on both the innovations and challenges to city governance here in Mindanao. We at USAID hope that you find this event a useful opportunity to network and learn from each other.

I have been in the Philippines for less than a year but I am already very impressed with what I see. Still, I feel confident that a great deal more is achievable and that the

best days of TAG and city governance in  
Mindanao lie not too far ahead.

Maraming salamat po at mabuhay tayong lahat.